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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bills were introduced in Lok Sabha on the 11th May, 1965:—

BILL NO. 39 OF 1965.

A Bill to provide for the development under the control of the Union of the Cardamom industry.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the Cardamom Act, 1965. Short title, extent and commencement.

(*2*) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the control of export of cardamom from India and import thereof into India.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act.

Declaration as to expediency of control by the Union.

2. It is hereby declared that it is expedient in the public interest that the Union should take under its control the cardamom industry.

Definitions.

3. In this Act, unless the context otherwise requires,—

(*a*) "Board" means the Cardamom Board established under section 4;

(*b*) "cardamom" means the fruit of cardamom plant and includes green cardamom, bleached cardamom, bleachable white cardamom, sun-dried cardamom, cardamom seeds, powdered cardamom and oil extracted from cardamom;

(*c*) "cardamom plant" means the cardamom plant ELETTARIA CARDAMOMUM MATON and any other plant which the Board may, by notification in the Gazette of India, declare to be a cardamom plant for the purposes of this Act;

(*d*) "Chairman" means the Chairman of the Board;

(*e*) "dealer" means a dealer in cardamom;

(*f*) "Director" means the Director of Cardamom Development appointed under section 7;

(*g*) "estate" means an area administered as one unit which contains land planted with cardamom plants;

(*h*) "export" and "import" mean respectively taking out of or bringing into India by land, sea or air;

(*i*) "owner", in relation to any land planted with cardamom plants, includes—

(*i*) any agent of the owner; and

(*ii*) a mortgagee, lessee or other person in actual possession of the land;

(*j*) "prescribed" means prescribed by rules made under this Act;

(*k*) "registered estate" means an estate in respect of which an owner is registered under sub-section (*1*) of section 11 and includes any estate in respect of which an owner is required to be registered under the provisions of that sub-section;

(*l*) "registered owner" means an owner of a registered estate, who has been, or is required to be, registered under sub-section (*1*) of section 11;

(*m*) "year" means the period of twelve months beginning with the 1st day of September and ending with the 31st day of August next following.

CHAPTER II

THE CARDAMOM BOARD

Establishment and constitution of the Board.

4. (*1*) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be established for the purposes of this Act a Board to be called the Cardamom Board.

(*2*) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(*3*) The Board shall consist of the following members, namely:—

(*a*) a Chairman to be appointed by the Central Government;

(*b*) the Director of Cardamom Development, *ex officio*;

(*c*) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States;

(*d*) three members to represent respectively the Ministries of the Central Government dealing with—

(*i*) commerce,

(*ii*) agriculture, and

(*iii*) finance;

(*e*) such number of other members not exceeding fifteen as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing—

(*i*) the Governments of the principal cardamom-growing States;

(*ii*) the cardamom-growing interests;

(*iii*) the cardamom trade interests;

(*iv*) the interests of labour;

(*v*) the consumers; and

(*vi*) such other persons or class of persons who, in the opinion of the Central Government, ought to be represented on the Board.

(4) The number of persons to be appointed as members from each of the categories specified in clause (*e*) of sub-section (3), the term of office of the members of the Board other than the member referred to in clause (*b*) of that sub-section, and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government, not being a member of the Board, when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

Acts or proceedings of Board or its Committees not to be invalidated.

5. No act or proceeding of the Board or any Committee appointed by it under section 9, shall be invalidated merely by reasons of—

(*a*) any vacancy in, or any defect in the constitution of, the Board or such Committee, or

(*b*) any defect in the appointment of a person acting as a member of the Board or such Committee, or

(*c*) any irregularity in the procedure of the Board or such Committee not affecting the merits of the case.

6. The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government. Salary and allowances of Chairman.

7. (*1*) The Central Government shall appoint a Director of Cardamom Development to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman. Executive officers of the Board and other staff.

(*2*) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(*3*) The Director and the Secretary shall be entitled to such salaries and allowances and be governed by such conditions of service regarding leave, pension, provident fund and other matters as may be fixed by the Central Government.

(*4*) Subject to such control and restrictions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time:

Provided that all officers and other employees of the Directorate of Cardamom Development and Marketing (other than the Director) who hold office as such immediately before the date referred to in sub-section (*1*) of section 4 shall be deemed to have been appointed as officers or employees of the Board with effect from that date and every such officer and employee shall hold his office by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, provident fund and other matters as he would have held the same if this Act had not been passed, and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and terms and conditions are altered by the Board with the approval of the Central Government:

Provided further that if the alteration so made is not acceptable to any such officer or employee, his employment may be terminated by the Board in accordance with the terms of the contract, if any, with such officer or employee or, if there be no such contract, on payment to him by the Board of compensation equivalent to three months' remuneration in the case of permanent employees and one month's remuneration in the case of other employees.

(5) The Chairman, the Director, the Secretary and other employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

Committees of the Board.

8. (1) The Board may appoint such Committees as may be necessary for the efficient discharge of its duties and performance of its functions under this Act.

(2) The Board shall have the power to co-opt as members of any Committee appointed under sub-section (1) such other number of persons who are not members of the Board, as it may think fit.

Functions of the Board.

9. (1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Government of the cardamom industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for—

(a) promoting co-operative efforts among growers of cardamom;

(b) ensuring remunerative returns to growers of cardamom;

(c) financial or other assistance for improved methods of cultivation and processing of cardamom, for replanting cardamom and for extension of cardamom growing areas;

(d) regulating the sale and export of cardamom and stabilisation of prices of cardamom;

(e) training in cardamom testing and fixing grade standards of cardamom;

(f) increasing the consumption in India and elsewhere of cardamom and carrying on propaganda for that purpose;

(g) registering and licensing of brokers (including auctioneers) of cardamom and persons engaged in the business of cardamom;

(h) improving the marketing of cardamom in India and elsewhere;

(*i*) collecting statistics from growers, dealers and such other persons as may be prescribed on any matter relating to the cardamom industry; the publishing of statistics so collected or portions thereof or extracts therefrom;

(*j*) securing better working conditions and the provisions and improvement of amenities and incentives for workers; and

(*k*) such other matters as may be prescribed.

(*3*) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

Dissolution of the Board.

10. (*1*) The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification.

(*2*) When the Board is dissolved under the provisions of sub-section (1),—

(*a*) all members, notwithstanding that their term of office has not expired, shall, from the date of dissolution, vacate their offices as such members;

(b) **all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf;**

(c) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government; and

(*d*) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

REGISTRATION OF OWNERS OF CARDAMOM ESTATES

Registration of owners of cardamom estates.

11. (*1*) Every owner of land planted with cardamom plants, whether such land is comprised in one estate or more than one estate, shall, before the expiration of one month from the date on which he first became owner of such estate or estates or before the expiration of three months from the date of coming into force of this section, whichever is later, apply to the registering officer appointed in this behalf by the State Government to be registered as an owner in respect of each estate owned by him:

Provided that the State Government may for sufficient reason extend the time-limit for registration by such period as it thinks fit.

(2) Registration once made shall continue to be in force until it is cancelled by the registering officer.

Power of State Government to make rules.

12. (1) The State Government may, by notification in the Official Gazette, make rules to carry into effect the provisions of section 11.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe the form of the application for registration and for cancellation of registration, the fee payable on such applications, the particulars to be included in such applications, the procedure to be followed in granting and cancelling registration, the registers to be kept by registering officers, and the supply by registering officers of information to the Board.

Returns to be made by registered owners.

13. (1) A registered owner shall furnish to the Board at the prescribed times and in the prescribed manner such returns as may be prescribed.

(2) The Board may authorise an officer to visit any estate at any time to verify the accuracy of any return made under this section or to ascertain the productive capacity of the estate.

CHAPTER IV

FINANCE ACCOUNTS AND AUDIT

Imposition of a cess on cardamom exported.

14. (1) There shall be levied on all cardamom which is exported, a cess for the purposes of this Act at such rate not exceeding two per cent. *ad valorem* as the Central Government may, by notification in the Official Gazette, fix.

(2) The cess levied under sub-section (1) shall be in addition to any cess or duty leviable on cardamom under any other law for the time being in force. 52 of 1962

(3) The provisions of the Customs Act, 1962, and the rules and regulations made thereunder, including those relating to refunds and

exemptions from duty, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under sub-section (*1*) as they apply in relation to the levy and collection of a duty of customs under that Act or those rules and regulations.

Payment of proceeds of cess to the Board.

15. The proceeds of the cess levied under section 14 shall first be credited to the Consolidated Fund of India and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, pay to the Board from time to time from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilised for the purposes of this Act.

Grants and loans by the Central Government.

16. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.

Constitution of the Fund.

17. (1) There shall be formed a Fund to be called the Cardamom Fund and there shall be credited thereto—

(*a*) the proceeds of the cess made over to the Board by the Central Government;

(*b*) all fees levied and collected in respect of licenses issued under this Act;

(*c*) any other fee that may be levied and collected by the Board under this Act or the rules made thereunder;

(*d*) any grants or loans that may be made by the Central Government for the purposes of the Fund;

(*e*) any grants or loans that may be made by any institution for the purposes of this Act;

(*f*) all sums realised by the Board in carrying out the measures referred to in section 9.

(2) The Fund shall be applied—

(*a*) for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board;

(*b*) for meeting the other administrative expenses of the Board;

(*c*) for meeting the cost of the measures referred to in section 9;

(*d*) for repayment of any loans from the Central Government or from any institution.

Borrowing powers of the Board.

18. Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the Cardamom Fund or any other asset for carrying out the purposes of this Act.

Accounts and audit.

19. (*1*) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(*2*) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General.

(*3*) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts, and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(*4*) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

CHAPTER V

CONTROL BY CENTRAL GOVERNMENT

Power to control price and distribution of cardamom.

20. (*1*) The Central Government may, by order notified in the Official Gazette, fix in respect of cardamom of any description specified therein—

(*a*) the maximum price or the minimum price, or the maximum and minimum prices, which may be charged by a grower of cardamom or cardamom dealer, wholesale or retail, whether for the Indian market or for export;

(*b*) the maximum quantity which may in one transaction be sold to any person.

(*2*) Without prejudice to the generality of the powers conferred by sub-section (*1*), any order made thereunder may provide—

(*a*) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, cardamom to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the order;

(*b*) for such other matters, including in particular the entering and search of premises, vehicles, vessels and aircraft, the seizure by a person authorised to make such search, of cardamom in respect of which such person has reason to believe that a contravention of the order has been, is being or is about to be committed.

Power to prohibit or control imports and exports of cardamom.

21. (*1*) The Central Government may, by order published in the Official Gazette, make provision for prohibiting restricting or otherwise controlling the import or export of cardamom, either generally or in specified classes of cases.

(*2*) All goods to which any order under sub-section (*1*) applies shall be deemed to be goods of which the import or export has been prohibited or restricted under section 11 of the Customs Act, 1962, and all the provisions of that Act shall have effect accordingly.

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(*3*) If any person contravenes any order made under sub-section (*1*), he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962,

as applied by sub-section (2), be punishable with imprisonment for a term which may extend to one year or with fine or with both.

Directions by Government.

22. The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

CHAPTER VI

MISCELLANEOUS

Penalty for making false returns.

23. Any person who being required by or under this Act to furnish any return fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to five hundred rupees.

Penalties for obstructing an officer or member of the Board in the discharge of his duties and for failure to produce books and records.

24. Any person who—

(*a*) obstructs any member authorised by the Chairman in writing or any officer or other employee of the Board authorised by it in this behalf or any person authorised in this behalf by the Central Government or by the Board, in the exercise of any power conferred, or in the discharge of any duty imposed, on him by or under this Act; or

(*b*) having control over or custody of any account book or other record, fails to produce such book or record when required to do so by or under this Act,

shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Penalty for contravention of order relating to control of price etc.

25. (*1*) If any person contravenes any order made under section 20, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both; and the property in respect of which the order has been contravened or such part thereof as the Court may deem fit, shall be forfeited to the Central Government.

(*2*) Any person who attempts to contravene, or abets the contravention of, any order under section 20 shall be deemed to have contravened that order.

Other penalties.

26. Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made there

under other than the provisions, punishment for the contravention whereof has been provided for in sections 21, 23, 24 and 25, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to fifty rupees for every day during which such contravention continues after conviction for the first such contravention.

Offences by companies.

27. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

Jurisdiction of court.

28. No court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

Previous sanction of Central Government.

29. No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

Protection of action taken in good faith.

30. No suit, prosecution or other legal proceeding shall lie against the Government, or the Board or any committee appointed by it, or any member of the Board or such committee, or any officer or employee of the Government or the Board or any other person authorised by the Government or the Board, for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Power to delegate.

31. The Central Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised, in such cases and subject to such conditions, if any, as may be specified in the order, by such officer or authority as may be specified therein.

Suspension of operation of Act.

32. (*1*) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent, either indefinitely or for such period as may be specified in the notification, the operation of all or any of the provisions of this Act.

(*2*) Where the operation of any provision of this Act has under sub-section (*1*) been suspended or relaxed indefinitely, such suspension or relaxation may at any time while this Act remains in force be removed by the Central Government by notification in the Official Gazette.

Power of Central Government to make rules.

33. (*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the number of persons to be appointed as members from each of the categories specified in clause (*e*) of sub-section (3) of section 4, the term of office and other conditions of service of the members of the Board and the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among such members;

(*b*) the circumstances in which, and the authority by which a member of the Board may be removed;

(c) the procedure to be followed at meetings of the Board and Committees thereof for the conduct of business and the number of members which shall form a quorum at a meeting;

(d) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(e) the holding of a minimum number of meetings of the Board every year;

(f) the powers of the Board, its Chairman, the Director and Committees of the Board with respect to the incurring of expenditure;

(g) the conditions subject to which the Board may incur expenditure outside India;

(h) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(i) the form and the manner in which the accounts should be kept by the Board;

(j) the deposit of the funds of the Board in banks and the investment of such funds;

(k) the conditions subject to which the Board may borrow;

(l) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(m) the delegation to the Chairman or Director or members or officers of the Board of any of the powers and duties of the Board under this Act;

(n) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board;

(o) the additional matters in respect of which the Board may undertake measures in the discharge of its functions;

(p) the travelling and other allowances of members of the Board and of Committees thereof;

(q) the remuneration and other allowances payable to the person or persons referred to in clause (b) of sub-section (2) of section 10;

(*r*) the maintenance of the registers and other records of the Board and its various Committees;

(*s*) the appointment by the Board of agents to discharge on its behalf any of its functions;

(*t*) the form of, and the particulars to be contained in, any returns or reports to be made to the Board under this Act;

(*u*) the form of and the manner of making application for licences issued by the Board, the fees payable for such application and the procedure to be followed in granting, and the conditions governing, such licences;

(*v*) the collection of any information or statistics in respect of cardamom;

(*w*) any other matter (other than a matter specified in section 12) which is to be or may be prescribed or provided for by rules under this Act.

(3) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The annual production of cardamom, a plantation crop grown mainly in the hilly regions of Kerala, Mysore and Madras, is at present of the order of 3,000 tonnes of which about 65 to 70 per cent. is exported, earning around Rs. 3 crores of foreign exchange for the country. In the World trade in this commodity, India has a near monopoly. It is thus a plantation commodity with a preponderant export angle. A substantial increase in foreign exchange earnings through Cardamom exports can be brought about by undertaking suitable measures of assistance to planters for development of their plantation and by proper arrangements for the marketing and export of this commodity.

Export prices of cardamom have been widely fluctuating over the years. This uncertainty of prices has resulted in planters of cardamom, most of whom are small growers with inadequate financial resources of their own, being unable to maintain and develop their plantations on sound lines. Leading Associations of Cardamom planters have been representing that to help the cardamom growers in realizing fair returns for their produce and the industry to develop on sound and progressive lines, a statutory Board should be set up for undertaking measures of assistance for development and activities relating to proper marketing of the commodity.

In order to maintain steady export prices, secure better returns for the producers and increase the foreign exchange earnings from Cardamom exports, certain interim measures were taken. These interim measures gave some relief to the cardamom growers and helped to arrest the downward trend of prices and increase export prices of cardamom. Need, however, still exists for long-term measures for looking after the marketing aspects of cardamom with a view particularly to increase its export potential and for assistance to the growers for development purposes. The Cardamom Development and Marketing Advisory Committee, which was set up in February, 1963, also recommended the early constitution of a statutory Board for Cardamon for looking after the development and marketing aspects of the industry. After careful consideration, Government of India has come to the conclusion that a statutory Board to be known as the Cardamom Board should be set up. The

Board is proposed to be constituted, among others, with the representatives of the growers of cardamom, exporters of cardamom and Governments of the cardamom producing states. It is proposed to vest the Board with adequate powers to undertake suitable measures for development of the Cardamom Industry, such as the promotion of co-operatives of the small growers, grant of loans to planters for improved methods of cultivation, processing, replanting and extensions, undertaking marketing activities with a view to increase the export potential of the commodity, operating price support measures, supplying machinery and equipment on hire-purchase basis to planters, assisting planters in the procurement of fertilizers, pesticides and other allied objectives. The object of the Bill is to take powers for setting up a statutory Board for Cardamom mainly with a view to enable it to undertake the activities mentioned above.

MANUBHAI SHAH.

NEW DELHI;
The 7th May, 1965.

FINANCIAL MEMORANDUM

The Cardamom Bill, 1965, provides for the control by the Union of the Cardamom Industry and, for that purpose, proposes to establish a Cardamom Board and to levy a cess at a rate not exceeding two per cent. *ad valorem* on all cardamom exported.

2. Under clause 4(*3*) read with clause 6 of the Bill, the Board will have a Chairman who will have to be paid such salary and allowances as may be determined by the Central Government. Under clauses 7(*1*) and 7(*2*), a Director of Cardamom Development and a Secretary to the Board have to be appointed for exercising such powers and performing such duties under the Chairman as may be prescribed. Under clause 7(*3*), the Director and Secretary will have to be paid such salary and allowances as may be determined by the Central Government. Under clause 7(*4*), the Board may appoint such officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time. Provision has also been made for the making of rules in regard to the payment of travelling and other allowances to the members of the Board and of its committees and the payment of remuneration to any person or persons appointed to perform the functions of the Board during the period of its dissolution.

3. It is not possible at the present stage to indicate precisely what expenditure will be incurred on the proposed Cardamom Board. It is, however, estimated that initially the expenditure will not exceed Rs. 3 lakhs per annum.

4. Clause 16 of the Bill provides for grants of loans to be paid to the Board by the Central Government. The amount of such payments will depend on the level of the actual proceeds of the cess on cardamom and the amounts required by the Board to meet its expenses, taking into account the scope of its activities. It is, therefore, not possible to determine the exact amount of expenditure that is likely to be incurred in this behalf. The amount of the grant to be given by Government is, however, expected to be within the realisations from the cess. No such expenditure will, in any case, be incurred without due appropriation made by Parliament by law in this behalf.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 12 of the Bill empowers the State Government to make rules to give effect to the provisions of clause 11 regarding registration of owners of cardamom estates and in particular for prescribing the form of application for registration and the fee payable on such application, for cancellation of registration, etc.

Clause 33 of the Bill gives power to the Central Government to make rules to carry out the purposes of the Bill. The matters in respect of which rules may be made relate, among others, to the term of office and other conditions of service of the members of the Board, the procedure to be followed at meetings of the Board and committees thereof, the travelling and other allowances payable to members of the Board and its committees, the form and the manner in which the accounts of the Board are to be maintained, the deposit and investment of the funds of the Board and other matters of a procedural or administrative nature.

The matters in respect of which provision may be made in the rules framed by the State Government and the Central Government are generally matters of procedure or detail. The delegation of legislative power is, therefore, of a normal character.

BILL NO. 36 OF 1965

A Bill to provide for the institution of a provident fund for seamen.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Seamen's Provident Fund Act, 1965. Short title and application.

(*2*) Unless otherwise expressly provided, the provisions of this Act shall apply to every seaman and to the employer of such seaman.

2. In this Act, unless the context otherwise requires,— Definitions.

(*a*) "agreement with the crew" means the agreement referred to in section 100 or, as the case may be, section 114 of the Merchant Shipping Act;

(*b*) "Board" means the Board of Trustees of the Seamen's Provident Fund constituted under section 5;

(c) "continuous discharge certificate" means the certificate referred to in section 99 of the Merchant Shipping Act;

(d) "contribution" means a contribution payable in respect of a member under the Scheme;

(e) "employer", in relation to a seaman, means the owner of the ship on which the seaman is employed or engaged, or the agent of such owner or the master of the ship;

(f) "Fund" means the Seamen's Provident Fund established under the Scheme;

(g) "Government" means the Central Government;

(h) "master" and "ship" have the meanings respectively assigned to them in the Merchant Shipping Act;

(i) "member" means a seaman who is in possession of a continuous discharge certificate and who is admitted as a member of the Fund;

(j) "Merchant Shipping Act" means the Merchant Shipping Act, 1958; 44 of 1958.

(k) "Scheme" means the Seamen's Provident Fund Scheme framed under sub-section (1) of section 3;

(l) "seaman" means a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act but does not include a master, navigating or engineering officer, radio officer, medical officer, welfare officer, purser, electrician, nurse, musician, pilot, apprentice or deck barber;

(m) "service" means the period of employment of a seaman under the agreement with the crew and includes any period in respect of which wages are paid or are payable to him;

(n) "wages" means the basic wages for the time being payable to a seaman under the agreement with the crew and includes—

(i) any remuneration to which he is entitled in respect of holidays or any leave period;

(ii) any increase of such wages in accordance with such agreement or any other agreement between the parties;

but does not include the overtime allowance.

Seamen's Provident Fund Scheme.

3. (1) The Government may, by notification in the Official Gazette, frame a scheme to be called the Seamen's Provident Fund Scheme for the establishment of a provident fund for seamen and there shall be established, as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the Scheme.

(2) Subject to the provisions of this Act, the Scheme may provide for all or any of the matters specified in the Schedule to this Act.

(3) The Scheme may provide that any of its provisions shall take effect either prospectively or retrospectively on such date as may be specified in this behalf in the Scheme.

(4) The Scheme shall have effect notwithstanding anything contained in any law for the time being in force other than this Act or in any instrument having effect by virtue of any law other than this Act.

(5) The Government may, by notification in the Official Gazette, add to, amend, vary or rescind the Scheme.

Vesting of Fund, etc.

4. (1) The Fund referred to in sub-section (1) of section 3 shall vest in, and be administered by, the Board constituted under section 5.

(2) The moneys in the Fund shall be applied for—

(a) meeting the pay and allowances of the employees of the Board and other administrative expenses of the Board;

(b) carrying out the purposes of this Act.

(3) All moneys in the Fund shall be deposited in the State Bank of India or be invested in such securities as may be approved by the Government.

Constitution of Board of Trustees.

5. (1) The Government shall, by notification in the Official Gazette, constitute, with effect from such date as may be specified therein, a Board to be known as the Board of Trustees of the Seamen's Provident Fund which shall be a body corporate having perpetual succession and a common seal and may, by that name, sue and be sued.

(2) The head office of the Board shall be in Bombay or at such other place as the Government may, by notification in the Official Gazette, specify.

(3) The Board shall consist of—

(a) a Chairman to be appointed by the Government;

(b) not more than three persons appointed by the Government from amongst its officials;

(c) three persons representing employers, to be appointed by the Government after consultation with such organisation or organisations of employers as may be recognised by the Government in this behalf;

(d) three persons representing seamen, to be appointed by the Government after consultation with such organisation or organisations of seamen as may be recognised by the Government in this behalf.

(4) The terms and conditions subject to which a member of the Board may be appointed and the time, place and procedure of the meetings of the Board, including the quorum, shall be such as may be provided for in the Scheme.

(5) The Board shall administer the Fund vested in it in such manner as may be specified in the Scheme.

(6) The Board shall perform such other functions as it may be required to perform by or under any provision of the Scheme.

Committees.

6. (1) The Board may, from time to time, constitute one or more committee or committees for exercising any power or discharging any duty of the Board or for inquiring into, or reporting and advising on, any matter which the Board may refer to such committee or committees.

(2) A committee may include persons who are not members of the Board but their number shall not exceed one-half of its strength.

Appointment of Employees of Board.

7. (1) The Government shall appoint a Seamen's Provident Fund Commissioner who shall be the chief executive officer of the Board and shall be subject to the general control and superintendence of the Board.

(2) The Government may also appoint as many Deputy Seamen's Provident Fund Commissioners and other officers whose maximum monthly salary is not less than six hundred rupees, as it may consider necessary, to assist the Seamen's Provident Fund Commissioner in the discharge of his duties.

(3) The Board may appoint such other officers and employees as it may consider necessary for the efficient administration of the Scheme.

(4) No appointment to the post of the Seamen's Provident Fund Commissioner or Deputy Seamen's Provident Fund Commissioner or to any other post carrying a maximum monthly salary of not less than six hundred rupees shall be made except after consultation with the Union Public Service Commission:

Provided that no such consultation shall be necessary in regard to any such appointment—

(a) for a period not exceeding one year; or

(b) if the person to be appointed is at the time of his appointment—

(i) a member of the Indian Administrative Service; or

(ii) in the service of the Government in a Class I or Class II post or in the service of the Board.

(5) The method of recruitment, salary and allowances, discipline and other conditions of service of the Seamen's Provident Fund Commissioner and of the officers referred to in sub-section (2) shall be such as may be specified by the Government.

(6) The method of recruitment, salary and allowances, discipline and other conditions of service of other officers and employees of the Board shall be such as may be specified by the Board with the approval of the Government.

(7) All persons appointed under this section shall be the employees of the Board.

Contributions.

8. (1) Every employer to whom this Act applies shall, in respect of each seaman (being a member) employed by him, contribute to the Fund for the period beginning with the 1st day of July, 1964 and ending with the 31st day of March, 1968, at the rate of six per cent., and thereafter at the rate of eight per cent., of the wages paid or payable to each such seaman and every such seaman shall also contribute to the Fund an amount equal to the contribution payable by the employer in respect of him:

Provided that the amount of contribution aforesaid shall, in so far as it relates to the period prior to the commencement of the Scheme, be payable by the employer or, as the case may be, by the seaman only on such date (being a date not earlier than sixty days after the commencement of the Scheme) as the Government may, by notification in the Official Gazette, specify in this behalf.

(2) The employer shall pay, in respect of each seaman (being a member) employed by him, both the employer's contribution and the employee's contribution and shall be entitled to recover from

the seaman the employee's contribution by deduction from his wages and not otherwise.

(3) **Every employer shall also pay such sums of money as may be specified in the Scheme towards the cost of administering the Fund.**

(4) Where the amount of any contribution under sub-section (1) or any sum payable under sub-section (3) contains a part of a rupee, then, if such part is fifty paise or more, it shall be increased to one complete rupee and if such part is less than fifty paise it shall be ignored.

Determination of moneys due from employers.

9. (1) The Seamen's Provident Fund Commissioner or any Deputy Seamen's Provident Fund Commissioner may, by order, determine the amount due from any employer under any provision of this Act or of the Scheme and for this purpose may conduct such inquiry as he may deem necessary.

(2) The officer conducting the inquiry under sub-section (1) shall, for the purposes of such inquiry, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, for trying a suit in respect of the following matters, namely:— 5 of 1908.

(a) enforcing the attendance of any person or examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commission for the examination of witnesses;

and any such inquiry shall be deemed to be a judicial proceeding within the meaning of sections 193 and 288, and for the purpose of section 196, of the Indian Penal Code. 45 of 1860.

(3) No order shall be made under this section unless the employer has been given a reasonable opportunity of representing his case.

(4) An order made under this section shall be final and shall not be questioned in any court of law.

Mode of recovery of moneys due from employers.

10. Any amount due from an employer in respect of any contribution payable to the Fund, or damages recoverable under section 18 or any charges payable by him under any other provision of this Act or under any provision of the Scheme, may, if the amount is in arrear, be recovered by the Government in the same manner as an arrear of land revenue.

Fund deemed to be recognised Provident Fund under Act 43 of 1961.

11. For the purposes of the Income-tax Act, 1961, the Fund shall be deemed to be a recognised provident fund within the meaning of that Act.

Protection against attachment.

12. (*1*) The amount standing to the credit of any member in the Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the member, and neither the official assignee appointed under the Presidency Towns Insolvency Act, 1909, nor any receiver appointed under the Provincial Insolvency Act, 1920, shall be entitled to, or have any claim on, any such amount.

3 of 1909.
5 of 1920.

(2) Any amount standing to the credit of any member in the Fund at the time of his death and payable under the Scheme to his nominee shall, subject to any deduction authorised by the Scheme, vest in the nominee and shall be free from any debt or other liability incurred by the deceased or the nominee before the death of the member.

Priority of payment of contributions over other debts.

13. Where any employer is adjudicated insolvent, or, being a company, an order for winding up is made, the amount due from the employer in respect of any contribution payable to the Fund, damages recoverable under section 18 or any charges payable by him under any other provision of this Act or under any provision of the Scheme shall, where the liability therefor has accrued before the order of adjudication or winding up is made, be deemed to be included among the debts which under section 49 of the Presidency Towns Insolvency Act, 1909, or under section 61 of the Provincial Insolvency Act, 1920, or under section 530 of the Companies Act, 1956, are to be paid in priority to all other debts in the distribution of the property of the insolvent or the assets of the company being wound up, as the case may be.

3 of 1909.
5 of 1920.
1 of 1956.

Employer not to reduce wages.

14. No employer shall, by reason only of his liability for the payment of any contribution to the Fund or any charges under this Act or the Scheme, reduce, whether directly or indirectly, the wages of any seaman to whom the Scheme applies or the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which the seaman is entitled under the agreement with the crew or any other agreement between the parties.

Inspectors.

15. (*1*) The Government may, by notification in the Official Gazette, appoint such employees of the Board, as the Government

thinks fit, to be Inspectors for the purposes of this Act and the Scheme, and may define their jurisdiction.

(2) Every Inspector appointed under sub-section (1) may, for the purpose of inquiring into the correctness of any information furnished in connection with this Act or the Scheme or for the purpose of ascertaining whether any of the provisions of this Act or of the Scheme have been complied with—

(a) require an employer to furnish such information as he may consider necessary in relation to the Scheme;

(b) at any reasonable time and with such assistance, if any, as he may think fit, enter any office or board any ship, search the same and require any one found in charge thereof to produce before him for examination any accounts, books, registers and other documents in relation to the employment of seamen or the payment of wages to seamen;

(c) examine, with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the office or the ship or whom the Inspector has reasonable cause to believe to be, or to have been, an employee in the office or on the ship;

(d) make copies of, or take extracts from, any book, register or other document maintained in connection with the Fund and, where he has reason to believe that any offence under this Act has been committed by an employer, seize with such assistance as he may think fit such book, register or other document or portions thereof as he may consider relevant in respect of that offence;

(e) exercise such other powers as the Scheme may provide.

(3) The provisions of the Code of Criminal Procedure, 1898 shall, as far as may be, apply to any search or seizure under sub-section (2) as they apply to any search or seizure made under the authority of a warrant issued under section 98 of the said Code. 5 of 1898.

(4) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

Penalties.

16. (1) Whoever, for the purpose of avoiding any payment to be made by himself under this Act or under the Scheme or of enabling any other person to avoid such payment, knowingly makes or causes to be made any false statement or false representation shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) The Scheme may provide that any person who contravenes, or makes default in complying with, any of the provisions thereof shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) Whoever contravenes or makes default in complying with any provision of this Act shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

(4) No court shall take cognizance of any offence punishable under this Act or under the Scheme except on a report in writing of the facts constituting such offence made by the Seamen's Provident Fund Commissioner or by an Inspector appointed under sub-section (1) of section 15, with the previous sanction of such authority as may be specified in this behalf by the Government.

Offences by companies.

17. (1) If the person committing an offence under this Act or the Scheme is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or the Scheme has been committed by a company, and it is proved that the offence was committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(3) Where any offence under this Act or the Scheme is committed by a company not registered in India and such a company has an agent in India which agent is also a company, then the provisions of this section shall apply to such agent as if the offence was committed by that agent.

Explanation.—For the purposes of this section—

(*a*) "company" means any body corporate and includes a firm and other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

Power to recover damages.

18. Where any employer makes default in the payment of any contribution to the Fund or in the payment of any charges payable under any other provision of this Act or under the Scheme, the Government may recover from the employer such damages, not exceeding twenty-five per cent. of the amount of arrears, as it may think fit.

Transfer of account.

19. Where a seaman leaves the seafaring profession with no present intention of resuming that profession and obtains employment in any establishment to which the Employees' Provident Funds Act, 1952, applies, the amount standing to the credit of such seaman in the Fund shall be transferred, within such time as may be specified by the Board in this behalf, to the credit of his account in the provident fund of that establishment, if the seaman so desires and the rules in relation to that provident fund permit such transfer. 19 of 1952.

Power to exempt.

20. (*1*) The Board may, by order in writing, exempt any seaman to whom this Act applies and his employer from the operation of all or any of the provisions of this Act if, in the opinion of the Board, the seaman is in enjoyment of benefits in the nature of provident fund or pension and such benefits, separately or jointly are on the whole not less favourable to the seaman than the benefits provided by or under this Act.

(*2*) Where an exemption has been granted under sub-section (*1*), the employer shall not at any time after the grant of the exemption, without the leave of the Board, reduce the total quantum of benefits in the nature of provident fund, pension or gratuity to which the seaman was entitled at the time of grant of such exemption.

(*3*) Any exemption granted under this section may be cancelled by the Board, by order in writing, if the employer fails to comply with the requirements of sub-section (*2*):

Provided that no such order shall be made unless the employer has been given a reasonable opportunity of showing cause against the proposed cancellation.

Protection for acts done in good faith.

21. No suit or other legal proceeding shall lie against the Government or the Board or any officer or employee thereof in respect

of anything which is in good faith done or intended to be done under this Act or under the Scheme.

Delegation.

22. (*1*) The Government may, by order, direct that any power or duty which by this Act or by the Scheme is conferred or imposed upon the Government (other than the power to frame a scheme under section 3) shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised or discharged also by such officer or authority as may be so specified.

(*2*) The Board may, with the prior approval of the Government, delegate to its Chairman or to any of its employees, subject to such conditions and limitations, if any, as it may specify, such of its functions under this Act as it may deem necessary for the efficient administration of the Scheme.

Power to remove difficulties.

23. If any difficulty arises in giving effect to the provisions of this Act, the Government may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of the difficulty, and any such order shall be final.

Scheme to be laid before Houses of Parliament.

24. Any Scheme framed under this Act shall be laid, as soon as may be after it is framed, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and, if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the Scheme or both Houses agree that any provision in the Scheme should not be made, that provision of the Scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision.

THE SCHEDULE

[*See* section 3(2)]

Matters for which provision may be made in the Scheme

1. Seamen who shall join the Fund.

2. The time and manner in which contributions shall be made to the Fund by employers and by, or on behalf of, seamen.

3. The payment by the employer of such sums of money as may be necessary to meet the cost of administering the Fund and the rate at which and the manner in which the payment shall be made.

4. Other functions of the Board.

5. The constitution of any committee for assisting the Board.

6. The opening of regional and other offices of the Board.

7. The manner in which accounts shall be kept, the investments of moneys belonging to the Fund in accordance with the directions issued or conditions specified by the Government, the preparation of the budget, the audit of accounts and the submission of reports to the Government.

8. The conditions under which withdrawals from the Fund may be permitted and any deductions or forfeiture may be made and the maximum amount of such deduction or forfeiture.

9. The fixation by the Government in consultation with the Board of the rate of interest payable to members.

10. The form in which a seaman shall furnish particulars about himself and his family whenever required.

11. The nomination of a person by a member to receive the amount standing to his credit after his death and the cancellation or variation of such nomination.

12. The registers and records to be maintained with respect to seamen and the returns to be furnished by employers.

13. The fees to be levied for any of the purposes specified in this Schedule.

14. The contraventions or defaults which shall be punishable under section 16.

15. Further powers, if any, which may be exercised by Inspectors.

16. The conditions under which a member may be permitted to pay premia on life insurance from the Fund.

17. Any other matter which is to be provided for in the Scheme or which may be necessary or proper for the purpose of implementing the Scheme.

STATEMENT OF OBJECTS AND REASONS

The question of providing social security for Seafarers has been under consideration of the Government of India for a long time. The National Welfare Board for Seafarers, a statutory body, set up under the Merchant Shipping Act, 1958, at its meeting held at Madras on 11th January, 1964, appointed a Tripartite Committee comprising of the representatives of the Shipowners, Seamen and Government. This Committee recommended that Contributory Provident Fund Scheme for seamen should be introduced with effect from 1st July, 1964, the rate of contribution by the employee as well as the employer being 6% of the wages up to 31-3-1968 and 8% of the wages thereafter. The report of the Tripartite Committee was placed before the National Welfare Board for Seafarers at its meeting held in Bombay on the 23rd December, 1964 and was unanimously approved by the Board.

2. The Bill which generally follows the pattern of the Employees' Provident Funds Act, 1952, seeks to implement the above recommendations of the National Welfare Board for Seafarers. To begin with, the proposed Provident Fund Scheme will benefit about 50,000 seamen.

NEW DELHI;
The 4th May, 1965. NITYANAND KANUNGO.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of Letter No. 14-MT(3)/64, dated the 4th May, 1965 from Shri Nityanand Kanungo, Minister of Civil Aviation to the Secretary, Lok Sabha].

The President, having been informed of the subject matter of the Bill to provide for the institution of a Provident Fund for Seamen, recommends under article 117(1) and 117(3) read with article 274(1) of the Constitution of India, the introduction of the said Bill in the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

FINANCIAL MEMORANDUM

The Seamen's Provident Fund Scheme, when framed, will be administered through a Board of Trustees. All expenses relating to the administration of the Fund will be met from the Administration Account of the Fund. Accordingly sub-clause (3) of clause 8 provides that every employer shall pay to the Board such sums of money as may be specified in the Scheme towards the cost of administering the Fund.

2. Pending the realisation of the administration charges from the employers, all expenses in connection with the establishment of the Fund will be incurred by the Central Government and treated as a loan, repayable, with interest, from the Administration Account of the Fund. The initial expenditure to be incurred by the Government by way of loan is estimated at about Rs. 1 lakh.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (*1*) of clause 3 of the Bill provides that the Central Government may, by notification in the Official Gazette, frame a scheme to be called the Seamen's Provident Fund Scheme for the purpose of instituting a provident fund for seamen employed under agreements with the crew. The matters which may be provided for in the Scheme have been specified in the Schedule; they *inter alia* relate to the time and manner in which contributions shall be made to the Fund, the manner in which accounts shall be kept, the conditions under which withdrawals from the Fund may be permitted, the registers and records to be maintained by employers and the fees to be levied for any of the purposes specified in the Schedule. These are matters of procedure and administrative detail and it is hardly practicable to provide for them in the Bill itself. The delegation of legislative power is, thus, of a normal character.

BILL No. 40 OF 1965

A Bill to amend the Delhi Motor Vehicles Taxation Act, 1962.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Delhi Motor Vehicles Taxation (Amendment) Act, 1965. Short title.

47 of 1962.

2. For section 20 of the Delhi Motor Vehicles Taxation Act, 1962 (hereinafter referred to as the principal Act), the following section shall be substituted, namely:— Substitution of new section for section 20.

"20. The proceeds of the tax collected under this Act (which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Utilization of the proceeds of tax.

Government shall, if Parliament by appropriation made by law in this behalf so provides, be paid to,—

(*i*) the Municipal Corporation of Delhi established under section 3 of the Delhi Municipal Corporation Act, 1957; 5 66 of 1957.

(*ii*) the New Delhi Municipal Committee established under section 11 of the Punjab Municipal Act, 1911, as extended to Delhi; and Punjab Act 3 of 1911.

(*iii*) the Cantonment Board, Delhi, constituted under the Cantonments Act, 1924, 10 2 of 1924.

for the performance of their respective functions under the said Acts and the payment shall be made in such proportion as may be prescribed.".

Amendment of Schedule I.

3. In Part A of Schedule I to the principal Act, in item III, for sub-item (*h*), the following sub-item shall be substituted, and shall be deemed always to have been substituted, namely:— 15

"(*h*) Vehicles the registered laden weight of which exceeds 10 tonnes.	The rate specified in (*g*) above *plus* Rs. 100 for every additional one tonne or part thereof in addition to 10 tonnes.". 20

STATEMENT OF OBJECTS AND REASONS

Under section 20 of the Delhi Motor Vehicles Taxation Act, 1962, the proceeds of the tax collected under that Act, reduced by the cost of collection, are paid to the Delhi Municipal Corporation and the New Delhi Municipal Committee in the prescribed proportion. At present, the Cantonment Board, Delhi, is not entitled to a share of the proceeds of such tax. Since, however, the tax on motor vehicles is being collected from the entire Union territory of Delhi (including the area within the jurisdiction of the Cantonment Board, Delhi) and a share of the proceeds of such tax is given to local bodies to enable them to meet the expenditure on the maintenance, etc., of roads, it is considered necessary that a portion of the proceeds of tax should be paid to the Cantonment Board, Delhi, also. Section 20 of the Act is proposed to be suitably substituted for the purpose.

Opportunity is also being taken to amend item III(*h*) of Part A of Schedule I to the Act to make the intention clear.

NEW DELHI;
The 1st May, 1965.

RAJ BAHADUR.

S. L. SHAKDHER,
Secretary.

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